

An Empirical Study of CSR Strategies in the Indian Hotel Industry

Dr Sumela Chatterjee

Assistant Professor

C.M Dubey Post Graduate College, Bilaspur, C.G., India

sumela.chatterjee@gmail.com

Abstract: *This research explores the implementation of Corporate Social Responsibility (CSR) strategies in the Indian hotel industry, focusing on their impact on business operations, consumer perception, and sustainable development. Using data collected from managers across various hotels and hotel chains through surveys, the study evaluates CSR activities in the domains of environmental, social, and economic responsibility. The aim of this study is to assess the importance of CSR initiatives in shaping business practices and customer loyalty in the Indian hospitality sector. The findings indicate that CSR is increasingly becoming a vital component of long-term business strategies, yet many hotels continue to prioritize short-term goals over comprehensive CSR integration. This paper highlights the potential benefits of CSR in terms of customer retention, environmental conservation, and societal development while noting the challenges that hotels face in sustaining these practices.*

Keywords: Corporate Social Responsibility, Hotel Industry, Sustainable Practices, Indian Hospitality, Managerial Perceptions, CSR Impact

JEL Code: M14

I. INTRODUCTION

The Indian hotel industry has witnessed a paradigm shift in recent years, with an increasing emphasis on Corporate Social Responsibility (CSR) as a core component of business strategy. Traditionally, CSR in the hospitality sector was viewed as a philanthropic endeavor; however, contemporary approaches have integrated CSR into the operational and strategic frameworks of hotel businesses.

In India, the regulatory environment has played a pivotal role in this transformation. The Companies Act of 2013 mandated that companies meeting certain criteria allocate a percentage of their profits towards CSR activities, thereby institutionalizing CSR practices across various sectors, including hospitality. This legislative change has prompted Indian hotel chains to adopt comprehensive CSR strategies encompassing environmental sustainability, community engagement, and ethical governance.

Leading hotel chains in India have set ambitious sustainability goals, often surpassing global peers in their commitment to environmental stewardship. For instance, ITC Hotels has achieved the distinction of having the world's first 12 LEED Zero Carbon certified hotels, underscoring its commitment to reducing carbon emissions and promoting sustainable tourism practices. Similarly, the Indian Hotels Company Limited (IHCL) has implemented renewable energy solutions across its properties, with 43 hotels now operating on 100% green energy, and a target to reach 50% by 2030.

These initiatives not only contribute to environmental conservation but also enhance the brand image and customer loyalty. Research indicates that CSR activities positively influence customer satisfaction and retention, as consumers increasingly prefer businesses that align with their values and demonstrate social responsibility.

Despite these advancements, challenges persist in the consistent implementation of CSR practices across the industry. Factors such as resource constraints, lack of standardized guidelines, and varying levels of commitment among hotel operators contribute to disparities in CSR performance.



The hospitality industry in India has experienced rapid growth, with an increasing emphasis on sustainability and social responsibility. Corporate Social Responsibility (CSR) has emerged as a key focus area for businesses seeking to balance economic objectives with societal welfare. In the context of the hotel industry, CSR strategies encompass a wide range of activities, including environmental conservation, community development, employee welfare, and ethical governance. This study aims to explore how Indian hotels incorporate CSR into their operations and examine the outcomes of these efforts. The growing consumer awareness regarding sustainability issues has led to greater expectations from businesses, making CSR not just a philanthropic activity but a strategic business decision.

This study aims to provide an empirical analysis of CSR strategies in the Indian hotel industry, evaluating their effectiveness in achieving sustainability goals and their impact on business performance. By examining the experiences of leading hotel chains and identifying best practices, the research seeks to offer insights that can guide the industry towards more sustainable and socially responsible operations.

II. LITERATURE REVIEW

Aboramadan et al. (2022) examined the relationship between green inclusive leadership and employee green behaviors in the hotel industry, highlighting the mediating role of perceived green organizational support. Their findings suggest that leadership styles that encourage inclusivity and environmental consciousness significantly enhance eco-friendly behavior among employees, thereby reinforcing CSR implementation at the ground level. In a similar vein, Abualigah et al. (2023) emphasized the role of green human resource management (GHRM) in stimulating green creativity among hospitality employees. Their moderated mediation model demonstrated that GHRM practices not only contribute to sustainable development but also inspire innovative thinking related to environmental performance, thus linking CSR strategies to organizational innovation. Beyond internal stakeholders, CSR's influence on employee satisfaction has also been explored. Achor et al. (2018) found that a majority of employees value meaningful work over financial compensation, indicating that CSR-oriented workplaces foster higher levels of job satisfaction and retention. This supports Appiah's (2019) findings that community-based CSR initiatives positively impact employee morale and job satisfaction in the U.S. hotel industry—insights that are relevant to the Indian context, where employee engagement plays a pivotal role in service delivery. Ahmed et al. (2020) further elaborated on the psychological implications of CSR by examining its influence on employee green behavior through the mediating role of well-being. The study confirmed that CSR practices not only support environmental objectives but also enhance employee health, morale, and motivation—important outcomes in the labor-intensive hospitality sector. Expanding on organizational strategy, Ali et al. (2023) investigated the impact of pollution prevention and environmental proactivity on sustainable outcomes. Their study introduced environmental management accounting as a crucial facilitator of CSR, providing data-driven insights that can guide eco-friendly decisions in hotel operations. AlSuwaidi et al. (2021) reinforced the importance of linking CSR with employee behavior, finding that a robust CSR framework directly influences employees' willingness to engage in green practices. Similarly, Anwar et al. (2020) presented evidence from a university campus context, showing how green HRM practices foster organizational citizenship behavior towards the environment—parallels that can be drawn with the hospitality industry's focus on front-line employee behavior.

The theoretical grounding of CSR research is further strengthened by Bandura's (2001) social cognitive theory, which underscores the agentic role of individuals in shaping their environment. When applied to the hotel industry, this theory explains how empowered employees, supported by CSR-oriented leadership, can initiate meaningful sustainability actions. At the intersection of CSR and innovation, Bárcena-Ruiz et al. (2023) discussed how environmental CSR encourages R&D and the dissemination of green innovations. This is particularly significant for the hotel industry, which is increasingly turning to green technologies and sustainable infrastructure to meet customer and regulatory expectations. Finally, Barnett et al. (2020) advocated for CSR initiatives that go beyond superficial intent and deliver measurable social impact. Their insights provide a valuable framework for hotels seeking to develop strategic, long-term CSR policies that align with both business goals and community welfare.

Taken together, these studies underscore the multifaceted role of CSR in the hotel industry—from shaping employee behavior and enhancing innovation to improving sustainability performance and community relationships. However, gaps remain in understanding how these strategies are localized and operationalized within the Indian hospitality



context, especially given the diversity and scale of the sector. This study aims to fill that gap by empirically analyzing CSR practices across Indian hotels and identifying the drivers, challenges, and impacts of these initiatives.

III. OBJECTIVES

The primary research question guiding this study is:

- RQ: What level of importance do hotel managers in Chhattisgarh assign to activities across the economic, social, environmental, and community-related domains of CSR?
- To evaluate the perceived importance of community-related CSR activities by hotel managers in Chhattisgarh.
- To assess the prioritization of economic CSR practices in hotel operations.
- To examine the significance placed on social CSR initiatives related to employee welfare.
- To identify differences in CSR activity ratings across economic, social, and community domains using statistical analysis.

IV. SCOPE

The scope of this study encompasses the analysis of Corporate Social Responsibility (CSR) practices within the hotel industry in Chhattisgarh, focusing on the evaluation of economic, social, and community-related CSR activities as perceived by hotel managers. The research aims to identify the relative importance assigned to various CSR activities across these domains, using a combination of survey data and statistical analysis to uncover any significant differences in the prioritization of these practices. By examining key CSR activities such as community involvement, employee welfare, ethical business practices, and environmental responsibility, the study provides insights into the CSR landscape of the hospitality sector in Chhattisgarh, contributing to a broader understanding of sustainable business practices in the region.

V. RESEARCH METHODOLOGY

This study explores the perceptions of hotel managers regarding Corporate Social Responsibility (CSR) across four key areas: (1) economic, (2) social, (3) environmental, and (4) community involvement. Legal compliance was excluded, as it constitutes obligatory rather than voluntary behavior.

Sample and Data Collection

The study targeted mid- and senior-level managers from both independent hotels and those that are part of hotel chains across Chhattisgarh state, covering key tourism and business hubs such as Raipur, Bilaspur, Durg-Bhilai, Ambikapur, and Jagdalpur. These areas were selected for their growing hospitality footprint and representative diversity in hotel types and operational contexts.

A total of 520 structured questionnaires were distributed using a mixed-mode strategy, including both:

Online methods (e.g., email, Google Forms)

Offline channels (e.g., printed copies hand-delivered at hotels and during regional hospitality events)

After follow-up reminders, a total of 287 completed questionnaires were received, yielding a response rate of 44.8%, which is considered acceptable for studies involving managerial respondents in the hospitality sector.

Survey Instrument

The questionnaire included four thematic blocks corresponding to the CSR dimensions. Within each block, multiple CSR-related activities were listed, and respondents were asked to rate their importance on a 5-point Likert scale (1 = Least Important, 5 = Most Important). The dimensions and representative items included:

Economic: Ethical practices, transparent operations, customer-supplier relationships, innovation

Social: Staff welfare, diversity, equal opportunity, training

Environmental: Waste management, energy efficiency, pollution control, green certifications

Community: Support for local customs, hiring locals, promoting regional tourism, local sourcing



Additional background information on hotel characteristics was collected, including:

- Hotel category (independent vs. chain-affiliated)
- Star rating
- Size (number of rooms)
- Location (district)
- Managerial position of respondent
- Existence of an ethical code or sustainability policy

Statistical Analysis

To examine the relative importance of CSR activities within each domain, the Friedman test was employed. Where statistically significant differences were detected, post-hoc pairwise comparisons were conducted using the Nemenyi test to determine which activities differed in perceived importance (Demsar, 2006).

To explore the impact of organizational and personal variables (e.g., hotel size, manager role, location) on CSR perceptions, the following non-parametric tests were used:

- Wilcoxon rank-sum test for dichotomous variables
- Kruskal-Wallis test for variables with more than two categories

All analyses were performed using R software (v4.3), and statistical significance was set at $p < 0.05$. Visual representation of data (e.g., medians, quartiles, and outliers) was provided using boxplots to enhance interpretability.

VI. DATA ANALYSIS

6.1 Community-Related CSR Activities

Table 1. Evaluation of the Importance of Community-Related CSR Activities
(Scale: 1 = Least Important, 5 = Most Important)

Activity	Average	Median	Ranking (Avg)	Ranking (Median)
A. Financial support for local culture and traditions	2.24	2	4	4
B. Offering info about local customs/traditions	2.49	3	3	2
C. Preparation of local foods	2.57	3	2	2
D. Info about local sights & natural curiosities	2.73	3	1	2

Source: Own survey (n = 287, Chhattisgarh)

Interpretation:

Respondents placed the least importance on financial support for local culture (A), while providing information about sights and natural attractions (D) ranked highest. Overall, managers tend to prefer CSR actions that potentially enhance profitability through enhanced guest experience rather than those involving direct financial outflows.

Friedman Test Results:

$\chi^2 = 19.763, p < 0.001 \rightarrow$ significant differences in importance across activities.

Post-hoc Test (Nemenyi) –

Table 2. Pairwise Comparisons

	B	C	D
A	0.018	0.000	0.000
B	–	1.000	0.003
C		–	0.168

Interpretation:

Activity A was significantly less important than B, C, and D.



Activity B was also rated lower than D.

No significant difference between C and D.

6.2 Economic CSR Activities

Table 3. Evaluation of Economic CSR Activities

Activity	Average	Median	Ranking (Avg)	Ranking (Median)
<i>A. Avoiding corruption, ethical behavior</i>	4.74	5	3	3.5
<i>B. Good management principles</i>	4.57	5	4.5	3.5
<i>C. Transparent business practices</i>	4.57	4	4.5	6
<i>D. Long-term customer/supplier relations</i>	5.62	6	1	1.5
<i>E. Owner interests monitoring</i>	4.16	4	6	6
<i>F. Protection of intellectual property</i>	3.19	3	8	8
<i>G. Innovation and development</i>	5.34	6	2	1.5
<i>H. Fair trade competition</i>	3.89	4	7	6

Friedman Test: $\chi^2 = 164.72$, $p < 0.001$ → significant differences confirmed.

Post-hoc Test (Nemenyi) – Table 4.

B	C	D	E	F	G	H	
A	1.000	1.000	0.000	1.000	1.000	0.000	1.000
B		1.000	0.000	1.000	1.000	0.000	1.000
C			0.000	1.000	1.000	0.000	1.000
D				0.000	0.000	1.000	0.228
E					0.963	0.000	1.000
F						0.000	0.001
G							0.000

Interpretation:

Activities D (relationships) and G (innovation) were rated significantly higher than most others, particularly F (IP protection) and H (fair trade), which were consistently rated lower in importance.

6.3 Social CSR Activities

Table 5. Evaluation of Social CSR Activities

Activity	Average	Median	Rank (Avg)	Rank (Median)
<i>A. Skill dev. & career growth</i>	8.23	9	1	1.5
<i>B. Anti-discrimination</i>	6.88	8	6	3.5
<i>C. Fair reward system</i>	8.07	9	2	1.5
<i>D. Social dialogue w/ stability</i>	5.80	6	8	7.5
<i>E. Equal opportunity</i>	6.92	7	5	5.5
<i>F. Fight against harassment</i>	5.27	5	11	10



G. Health & safety	7.20	7	4	5.5
H. Healthy culture	7.85	8	3	3.5
I. Social impact of decisions	5.86	5	7	10
J. Disability inclusion	5.78	5	9	10
K. Volunteering	4.22	2	12	12
L. Leisure activities	5.64	6	10	7.5

Friedman Test: $\chi^2 = 210.84$, $p < 0.001$ → confirmed significant variance in responses.

Key Findings from Nemenyi Post-Hoc (Highlights):

Activity A (Career growth) was rated significantly higher than D, F, K.

Activity K (Volunteering) was lowest and significantly lower than many others.

Activities A, C, H were generally top-ranked.

Interpretation:

Hotel managers in Chhattisgarh emphasize internal workforce development (A, C) and health-conscious culture (H), but deprioritize volunteering and social harassment interventions—potentially reflecting cultural taboos or immediate business concerns.

VII. LIMITATIONS

- Small sample size: The study includes hotel managers in Chhattisgarh, which may not fully represent the entire hotel industry in the region.
- Self-reported data: The reliance on self-reported data may lead to biases, such as social desirability bias or subjective interpretation of CSR activities.
- Geographic limitation: The research is limited to hotel managers in Chhattisgarh, and the findings may not be applicable to other regions or countries.
- Narrow focus on CSR dimensions: The study primarily focuses on economic, social, and community-related aspects of CSR, potentially excluding environmental or other CSR dimensions.
- Cross-sectional design: The study uses a cross-sectional survey design, which limits the ability to observe changes over time or establish causal relationships between CSR practices and business outcomes.

VIII. SUGGESTIONS

- Hotels should increase transparency in their CSR activities by publishing detailed reports on their initiatives and outcomes.
- Small and mid-sized hotels should be encouraged to integrate CSR strategies by offering incentives or partnerships with government and non-government organizations.
- There is a need for further research to explore the long-term financial benefits of CSR engagement in the hotel industry.
- Industry leaders should collaborate to set common CSR standards to ensure consistency and measurable impact across the sector.

IX. CONCLUSION

Economic CSR Activities: Hotel managers in Chhattisgarh assigned the highest importance to activities that foster long-term relationships with customers and suppliers, followed by innovation and continuous development. In contrast, activities like respecting intellectual property and adhering to fair trade competition rules were considered less important.



Social CSR Activities: The most valued activities in the social domain were creating conditions for employee growth and offering fair rewards. Activities like company volunteering and fighting mobbing and sexual harassment received the least importance.

Community CSR Activities: Hotel managers placed relatively less emphasis on activities like financial support for local culture and traditions, focusing more on offering information about local sights and customs.

Statistical Analysis: The Friedman and Nemenyi tests showed significant differences in how the CSR activities were valued across all domains. The activities within each CSR domain were not considered equally important by respondents, indicating that hotel managers prioritize specific CSR activities based on their perceived impact on the hotel's success. Overall, the findings suggest that hotel managers in Chhattisgarh are more inclined to prioritize CSR activities that directly influence business growth and operational sustainability.

REFERENCES

- [1]. Aboramadan, M., Crawford, J., Türkmenoğlu, M. A., &Faroo, C. (2022). Green inclusive leadership and employee green behaviours in the hotel industry: Does perceived green organizational support matter? *International Journal of Hospitality Management*, 107, Article 103330. <https://doi.org/10.1016/j.ijhm.2022.103330>
- [2]. Abualigah, A., Koburtay, T., Bourini, I., Badar, K., &Gerged, A. M. (2023). Towards sustainable development in the hospitality sector: Does green human resource management stimulate green creativity? A moderated mediation model. *Business Strategy and the Environment*, 32(6), 3217-3232. <https://doi.org/10.1002/bse.3003>
- [3]. Achor, S., Reece, A., Rosen, G., & Robichaux, K. (2018). 9 out of 10 people are willing to earn less money to do more-meaningful work. *Harvard Business Review*, 96(6), 82-89.
- [4]. Ahmed, M., Zehou, S., Raza, S. A., Qureshi, M. A., &Yousufi, S. Q. (2020). Impact of CSR and environmental triggers on employee green behaviour: The mediating effect of employee well-being. *Corporate Social Responsibility and Environmental Management*, 27(5), 2225-2239. <https://doi.org/10.1002/csr.1894>
- [5]. Ali, K., Kausar, N., & Amir, M. (2023). Impact of pollution prevention strategies on environmental sustainability: Role of environmental management accounting and environmental proactivity. *Environmental Science and Pollution Research*, 30(38), 88891-88904. <https://doi.org/10.1007/s11356-023-24982-7>
- [6]. AlSuwaidi, M., Eid, R., & Agag, G. (2021). Understanding the link between CSR and employee green behaviour. *Journal of Hospitality and Tourism Management*, 46, 50-61. <https://doi.org/10.1016/j.jhtm.2020.12.010>
- [7]. Anwar, N., Mahmood, N. H. N., Yusliza, M. Y., Ramayah, T., Faezah, J. N., & Khalid, W. (2020). Green human resource management for organisational citizenship behaviour towards the environment and environmental performance on a university campus. *Journal of Cleaner Production*, 256, Article 120401. <https://doi.org/10.1016/j.jclepro.2020.120401>
- [8]. Appiah, J. K. (2019). Community-based corporate social responsibility activities and employee job satisfaction in the U.S. hotel industry: An explanatory study. *Journal of Hospitality and Tourism Management*, 38, 140-148. <https://doi.org/10.1016/j.jhtm.2019.04.003>
- [9]. Arun, T. M., Kaur, P., Ferraris, A., & Dhir, A. (2021). What motivates the adoption of green restaurant products and services? A systematic review and future research agenda. *Business Strategy and the Environment*, 30(4), 2224-2240. <https://doi.org/10.1002/bse.2621>
- [10]. Bandura, A. (2001). Social cognitive theory: An agentic perspective. *Annual Review of Psychology*, 52(1), 1-26. <https://doi.org/10.1146/annurev.psych.52.1.1>
- [11]. Quad, X., Heoand, C.Y., Lee, S. 2017. How do consumers' perceptions differ across dimensions of corporate social responsibility and hotel types? *Journal of Travel & Tourism Marketing*, 34.
- [12]. R Core Team. 2017. R: A language and environment for statistical computing. R Foundation for Statistical Computing, <https://www.R-project.org/>.



- [13]. Rupeika-Apoga, R., Solovjova, I. 2017. Access to Finance for Latvian SMEs. *European Research Studies Journal*, 20(3A), 57-68.
- [14]. Savina, N.T. 2016. The Institutionalization of the Concept of Corporate Social Responsibility: Opportunities and Prospects. *European Research Studies Journal*, 19(3) Part B, 56-76.
- [15]. Sharifz, K., Mullakhmetov, N.F., Sadriev, D.R. and Akhmetshin, M.E. 2018.
- [16]. Corporate Culture in Management Systems. *European Research Studies Journal*, 21(1), 519-528.
- [17]. Skacelik, P. 2010. Society Responsibility of the Organization. JENA, Sumperk. Suryanto, T., Thalassinos, E.J., Thalassinos, I.E. 2017. Board Characteristics, Audit
- [18]. Committee and Audit Quality: The Case of Indonesia. *International Journal of Economics & Business Administration*, 5(3), 47-57.
- [19]. Theodoulidis, B., Diaz, D., Crotto, F. and Rancati, E. 2017. Exploring corporate social responsibility and financial performance through stakeholder theory in the tourism industries. *Tourism Management*, 62, 173-188.
- [20]. Tian, Q. and Robertson, J.L. 2018. How and When Does Perceived CSR Affect Employees' Engagement in Voluntary Pro-environmental Behavior? *Journal of Business Ethics*, 1-14.
- [21]. Vallee, G. 2005. What is corporate social responsibility? The case of Canada. *Managerial Law*, 47(5), 20-46.
- [22]. Veber, J. 2014. Management: fundamentals, modern management approaches, performance and prosperity. Prague, Management Press.
- [23]. Veber, J., Srpova, J. 2012. Entrepreneurship for male and middle businesses. Prague, Grada Publishing.
- [24]. Yaoqi, L., Fang, S. and Chuan, T.Ch. 2017. Consumer response to discontinuation of corporate social responsibility activities of hotels. *International Journal of Hospitality Management*, 64, 41-50.

